

February 17, 2005

The Honorable Gil Gutknecht  
425 Cannon House Office Building  
Washington, DC 20515

Dear Congressman Gutknecht:

Congratulations on your re-introduction of legislation to give American consumers access to safe and lower-cost prescription drugs. Your bill, HR 328, the Pharmaceutical Market Access Act of 2005, would provide hundreds of billions of dollars of relief in the years to come to Americans who need reasonably priced prescription drugs.

Families USA, the national consumer health advocacy organization, strongly supports your efforts to bring lower drug prices to America's consumers. The new data on the full ten-year cost of the Medicare Modernization Act's drug benefit should rally all Americans to support your type of proposal. If Medicare and its contractors had access to the world price of pharmaceuticals, it would cut the cost of the new Medicare benefit roughly in half and save Medicare beneficiaries from outrageous increases in premiums, deductibles, and co-pays. As you know, when the new law starts in 2006, the so-called 'donut hole' (the period in which beneficiaries are totally on their own and must totally pay out-of-pocket) is \$2850. Because the new law does so little to control drug inflation, by 2015 that "donut" will have ballooned to about \$5382. Obviously, a 'donut' of that size will not be of much help to most middle class families. Despite the huge expenditures under this new law, the average senior will see a significantly higher portion of their Social Security check consumed by drug costs in the years to come.

Your bill would help all American consumers, not just Medicare beneficiaries, and we thank you for your continuing, outstanding leadership on this key health access and affordability issue. We look forward to working with you on the passage of this legislation in 2005.

Sincerely,



Ronald F. Pollack  
Executive Director